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GREAT FALLS VOCATIONAL-TECHNICAL CENTER

FINANCIAL STATEMENTS
For Period Ending June 30, 1981

Prepared By

HAAS & HINTZ, PSC
Helena, Montana

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FINANCIAL STATEMENTS
For Period Ending June 30, 1981

Prepared By

HAAS & HINTZ, PSC
Helena, Montana

GREAT FALLS VOCATIONAL-TECHNICAL CENTER
AUDIT REPORT
For Year Ending June 30, 1981

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Elected and Administrative Officials

Office of the Superintendent of Public Instruction

Ed Argenbright Superintendent of Public Instruction
Gene Christiaansen Asst. State Supt. for Vocational Education

Great Falls School District #1&A
Board of Trustees

Warren C. Wenz Chairman
Owen Robinson
Bert Thurber
Shirley Grey
Nancy Davidson
Michael McPherson
Dr. Paul Kathrein

Administrative Officials School District #1

Harold Wenaas Superintendent
Ben Lamb Asst Superintendent for Business

Great Falls Vocational-Technical Center

Loran Frazier Director
Carl Spinti Asst Director



STATE OF MONTANA

Office of the Legislative Auditor

STATE CAPITOL
HELENA, MONTANA 59620
406/449-3122

JAMES H. GILLETT, C.P.A.
ACTING LEGISLATIVE AUDITOR

November 1981

JOHN W. NORTHEY
STAFF LEGAL COUNSEL

The Legislative Audit Committee
of the Montana State Legislature:

Transmitted herewith is the report on the audit of the Great Falls Vocational Technical Center for the year ended June 30, 1981.

The audit was conducted by Haas and Hintz, PSC, CPAs, under a contract between the firm and our office. The comments and recommendations contained in this report represent the views of the firm and not necessarily the Legislative Auditor.

The agency's written response to the report recommendations is included in the back of the audit report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James H. Gillett".

James H. Gillett, CPA
Acting Legislative Auditor

SUMMARY OF RECOMMENDATIONS

As a separate section in the front of each audit report, we include a listing of all recommendations, together with a notation as to whether the agency concurs or does not concur with each recommendation. This listing serves as a means of summarizing the recommendations included in the report and the audited agency's reply thereto, and also as a ready reference to the supporting comments. The full reply of the administering agencies is included in the back of this report.

	<u>Page</u>
<u>Contact Hours</u>	5
1) We recommend that the Superintendent of Public Instruction and the Great Falls Center work to determine a uniform method of determining contact hours.	
Center Response: Concur	
Superintendent of Public Instruction Response: Concur	
2) We recommend that the Superintendent of Public Instruction and the Great Falls Center determine a uniform procedure for counting the number of students enrolled in courses, and assure that this procedure is followed.	
Center Response: Concur	
Superintendent of Public Instruction Response: Concur	
<u>Student Transcripts</u>	5
1) We recommend that the administration of the Vo-Tech Center enforce their existing guidelines for turning in all grades on the last day of the quarter.	
Center Response: Concur that problem exists and intend to change the procedure.	
2) We recommend that the administration of the Vo-Tech assure that the class schedule be retained as a part of the student file so that it can be referred to if class grades are not turned in.	
Center Response: Concur	
<u>Equipment Inventory</u>	6
1) We recommend that the Center conduct an accurate physical inventory and bring the equipment inventory up to date with appropriate adjustments to the accounting records.	
Center Response: Concur	
Superintendent of Public Instruction Response: Concur	

	<u>Page</u>
<u>Business Manager</u>	6

- 1) We recommend that the Center request an additional position for a business manager.

Center Response: Concur

Superintendent of Public Instruction Response: Concur

Duties of State Director

7

- 1) We recommend that the State Director update the Policies and Procedures Handbook for Vocational-Technical Centers as soon as possible.

Center Response: Concur

Superintendent of Public Instruction Response: Concur

- 2) We recommend that a statutory requirement of meeting with the local board of trustees twice a year be carried out or that a legislative change be sought if the requirement is not meaningful.

Center Response: Concur

Superintendent of Public Instruction Response: Concur

Board of Trustees Minutes

8

- 1) We recommend to the Board of Trustees that the minutes be signed by the chairman immediately following approval at the next meeting.

Center Response: Concur

Superintendent of Public Instruction Response: Concur

STUDENT AID REPORT

Accounting

33

- 1) We recommend the reconciliation of federal grant monies received from the Departmental Federal Assistance Financing System, so that Center records and federal expenditure reports are in agreement.

Center Response: Concur

- 2) We recommend a review of the accounting procedures established for federal assistance funds to assure accurate and simple recording of all funds received and expended.

Center Response: Concur

Prior Year Funds

34

- 1) We recommend that the Center develop a plan and guidelines for use of these excess state funds in future work-study programs, and request clarification from the federal grantee on use of these funds.

Center Response: Concur

Cash On Hand

35

- 1) We recommend that the Center reconcile the DFAFS cash balance and request the return of those funds to the proper account.

Center Response: Concur

COMMENTS

BACKGROUND INFORMATION

The Great Falls Vocational-Technical Center was created in 1969 through authorization of the State Legislature and under the direction of the State Board of Public Education. The Center is one of five in the state of Montana; the others being at Helena, Billings, Butte and Missoula. In fiscal year 1981, the Center offered training in auto body repair and front-end alignment and repair, business, office, health, multi-occupations, and watch and small instrument repair. The Center itself is located in a building completed in 1977 with a thirty-five acre campus.

In the school year 1980-81, the Center had 22 instructors, five of which were part time, a director, an assistant director, three counselors, and 13 support staff. The Center reported to the Superintendent of Public Instruction enrollments of 473 for the fall quarter of 1980, 410 for winter quarter of 1981, and 434 for the spring quarter of 1981. A supplementary schedule is included, reporting the number of students enrolled in the various programs. Center officials have stated that the building could facilitate nearly 1,000 students per quarter. However, some sections of the building are not being used at the present time.

In October 1977, the Attorney General for the State of Montana ruled that the secondary vocational-technical centers should be treated as state agencies for auditing purposes. For the year ended June 30, 1981, the Center's accounting was maintained on the Statewide Budgeting and Accounting System. The last audit of the Center was completed by the Legislative Auditor's staff for the fiscal year ended June 30, 1978.

GOVERNANCE

Governance of the state's five vocational-technical centers has been assigned as a joint responsibility between the state and local government. Specific statutory requirements may be found in Montana Codes Annotated beginning at Section 20-7-301. Since the Legislative Session of 1979, the State Superintendent of Public Instruction has been the governing agent and executive office for vocational education, and is responsible for:

1. The state plan.
2. Course and program standards.
3. Standards for certificate.
4. The establishment and deletion of programs.
5. The establishment of tuition and fees.

The local high school Board of Trustees and the Superintendent of the local school districts in which the Centers are located are charged with the day-to-day administration of the Center, including:

1. Employing staff.
2. Recommending budgets and program changes.
3. Managing the building.

FUNDING

At its biennial meeting, the Montana State Legislature may appropriate spending authority for the operations of the Center from the following sources:

1. State general tax revenue.
2. One-and-a-half mill levy on the county of the designated center.
3. Federal funds.
4. Student tuition.
5. A permissive-voted high school district levy.

During the fiscal year ended June 30, 1981, the Great Falls Vocational-Technical Center received funding from the state general fund, the 1 1/2 county mill levy, from federal funds, and from student tuitions. The tuition rate for the quarter for residents of the state of Montana was set at \$20 per course, with a maximum of \$80 per quarter. Out-of-state students were charged a fee of \$350 per quarter. Students must also pay the cost of books and supplies. All students are charged a \$10 application fee, which must accompany the application to consider it completed. It is nonrefundable, but may be applied towards tuition upon enrollment.

Financial aid for students is available at the Center under the following programs:

1. Basic education opportunity grant.
2. College work/study.
3. Guaranteed student loan from local banking institutions.

In addition, students who qualify may get assistance from one or more of the following agencies or sources: the Veterans' Administration, under the G.I. Bill and other veterans' help; the Social Security Administration; Social and Rehabilitative Services; employment service programs such as CETA and WIN; state assistance agencies or Welfare, as well as scholarship from private sources and the Bureau of Indian Affairs for students with Indian heritage.

INTRODUCTION

The primary purpose of our examination of the financial statements of the various funds of the Great Falls Vocational-Technical Center for the fiscal year ended June 30, 1981, was to enable us to form an opinion as to the financial position of the various funds at June 30, 1981 and the results of operations of such funds for the year then ended, and to test for compliance with state and federal laws applicable to the agency.

As part of our examination, we made a study and evaluation of the Center's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the Department's financial statements. Our study and evaluation was more limited than

would be necessary to express an opinion on the system of internal accounting control taken as a whole.

The management of the Center is responsible for establishing and maintaining a system of internal accounting control and for complying with the applicable state and federal regulations. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of the system are to provide management with reasonable, but not absolute assurance, that assets are safeguarded against loss from unauthorized use or disposition; and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of the Great Falls Vocational-Technical Center taken as a whole. However, we have noted certain areas where financial matters should be considered, accounting procedures improved, and internal control strengthened. The following summarizes our comments and recommendations.

CONTACT HOURS

Each quarter the Center reports to the Superintendent of Public Instruction the number of students enrolled in the various classes; and calculates the number of contact hours and the number of full-time student equivalents. These figures are then used by the Superintendent's office and the Legislature to determine the level of funding for future years. Student enrollment records at the Great Falls Vocational-Technical Center are maintained in a manual procedure, as the school does not have a computer on site. The procedure as described to us is as follows:

When students enrolled, they were issued a peach-colored card for each class in which they were registered. These cards were used as authorizations for admittance into the class and the instructors were to accumulate them until the twelfth day of class, when they were to be turned in to the office for the student count. If the student were to drop the class before the twelfth day, the cards should not have been turned in as they were not to be included in the total count.

When we attempted to test this procedure for the audit period, we found that the peach-colored cards had been used as authorization for admittance to classes; however, in some instances the cards were never turned in to the office. Therefore, the Center administrator had not attempted to use them to determine official student count.

The procedure which was used by the Center director to determine the student count for his reports was to count student registration cards which listed the courses taken by each student. When we attempted to also use the registration cards to verify the count we found two significant problems. Although the student registration cards were supposed to indicate if a student had dropped a course and the date of withdrawal, this information had not always been correctly posted to the cards. In addition, we also determined that some of the registration cards were missing from the files and could not be located during the period of our field work. Center records did have lists of students in various programs, however, we found these lists were not always accurate and in our opinion could not be used to verify the reported count by the director. We also attempted to verify the count by using student transcripts of grades at the end of the quarter which would verify they had been in attendance and had received grades for that quarter. This procedure also could not accurately verify the count as students had sometimes not completed a course until a later date in which case the course record was not included on the transcript until the following quarter. We have indicated on our supplementary schedule the card counts which we were able to take and noted the variances from what was on the report to the superintendent's office. We felt, however, that the procedures were inadequate and that records were incomplete and, therefore, we could not express an opinion upon the accuracy of either the report or our count.

In addition to the problem of the actual student count, we also were unable to verify the calculations of contact hours. We were told by Mr. Frazer that because the Center did not have access to a computer to count actual students' hours, he had used an estimated average hours per day for the various programs. He then multiplied that number times the number of students, times the number of days, to arrive at contact hours. Total contact hours were divided by 250, which we understand was considered one quarter's hours, for the purpose of determining full-time student equivalencies. Apparently, the 750 hours per FTE had been agreed upon by the Center directors at some time in the past. We sampled some of the students' transcripts and counted the number of courses completed per quarter by various students under all of the programs. We found in the Practical Nurse and Dental Assistant Programs, the number of hours was quite consistent, as it was in the Auto Body Repair and Watch Making Programs. However, in the Business area, there was a wide variation in the number of courses a student was enrolled in. Many of the students were part-time; others were enrolled in skill-building courses in addition to their regular business courses. Our tests gave us no basis for disputing the average hours per day as calculated by Mr. Frazer, but also could not verify that these hours were an accurate projection. It seemed to us the only way to come to an accurate determination of the number of contact hours at the Center during the year would be to count the courses taken by every student from their transcripts. We were then told that might not be accurate, because in some instances teachers did not turn in grades until several months after a quarter, because students had not completed an item, but still had an option of completing the course before the transcript was filed.

We further discussed the calculation of contact hours with Mr. Gene Christiaansen, Director of Vocational Education in the Superintendent of Public Instruction's office. When we described to him the procedures at the Great Falls Center, he agreed with us that there was probably no method of counting contact hours for the last year that could be accurate. It further appears that each of the Centers is using a somewhat different method of determining contact hours. Therefore, it would seem inappropriate to try to compare the data from one center to another. As the contact hours is one of the major bases for determining distribution of the appropriation, it would appear that a uniform procedure and formula needs to be established for calculation of the contact hours, as well as a procedure for counting the number of students and courses taken.

RECOMMENDATION

WE RECOMMEND THAT THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND THE GREAT FALLS CENTER:

1. Work to determine a uniform method of determining contact hours.
2. Determine a uniform procedure for counting the number of students enrolled in courses, and assure that this procedure is followed.

STUDENT TRANSCRIPTS

Our review of student transcripts indicated that in some instances, grades were turned in so late as not to be included until the following quarter's transcript. We also found that the original class schedules are only retained for two quarters before being destroyed. Although it is the school policy that grades are to be turned in the last day of each quarter, including records which indicate that a student has dropped within the first two weeks of the quarter or dropped the class thereafter, we found transcripts missing and grades in wrong quarters. As a result, the student transcripts do not always indicate the classes actually taken and paid for in a particular quarter. A transcript may over or understate the actual number of classes taken in a quarter. With the incomplete student transcripts, we found it difficult to accurately determine if fees had been properly paid in some cases.

RECOMMENDATION

WE RECOMMEND THAT THE ADMINISTRATION OF THE VO-TECH CENTER:

1. Enforce their existing guidelines for turning in all grades on the last day of the quarter.
2. Assure that the class schedule be retained as a part of the student file so that it can be referred to if class grades are not turned in.

EQUIPMENT INVENTORY

Our review of the Vocational-Technical Center equipment inventory list indicated that it was not accurate. We found some items that were duplicated and some items in the sample which had the wrong values assigned. In our sample, we found items such as dental chairs being overvalued by several thousand dollars. Therefore, we feel the inventory evaluation is materially distorted.

RECOMMENDATION

WE RECOMMEND THAT THE CENTER:

Conduct an accurate physical inventory and bring the equipment inventory list up to date with appropriate adjustments to the accounting records.

BUSINESS MANAGER

At the present time, the administrative staff at the Center does not include anyone with accounting and business background. The Center's accounting is maintained on the Statewide Budgeting and Accounting System; and we found that, for the most part, the procedures and internal control were adequate for the situation. However, we found there was no one at the Center with the expertise needed to identify incorrect coding or other errors and make necessary corrections. Our comments in the student aid audit about problems we identified in those records are an indication of the need for such expertise at the Center. The director of the Center also indicated a need for someone to assist him in analyzing the financial statements, preparing budgets, and other fiscal matters. He has been calling upon the accounting instructor to assist him with some of these matters. However, the accounting instructor has full time responsibilities as a member of the teaching staff and is unable to devote much time to the Center administrative accounting functions.

In our opinion, an agency as large as the Center, with the many funds involved, could use an individual with accounting and financial expertise.

RECOMMENDATION

WE RECOMMEND THAT THE CENTER:

Request an additional position for a business manager.

DUTIES OF THE STATE DIRECTOR

When we reviewed the statutory duties of the State Director of Vocational Education, as listed in Section 20-7-3021, we felt items 7 and 9 were not being complied with. Item 7 is the duty to provide a policies and procedures handbook. We were told by Mr. Frazer, the Center's director, that the policies and procedures handbook for the centers had not been updated since 1978. Since the original book was prepared, there have been several new policies adopted which have been

communicated to the centers through letters and memos. Mr. Frazer indicated that he does not really have these all gathered together in one format and one location clearly identified as a policies and procedures handbook. We discussed the matter with Mr. Christiaansen; and he provided us with a copy of the Vocational Education State Plan for 1980-82. This does have a section on policies and procedures for vocational education. Many of these policies and procedures apply to the vocational-technical centers. However, it would appear to us that there must be specific policies and procedures (such as the problem with the count of contact hours) which could be better organized in a handbook for just the centers. We realize that Mr. Christiaansen has just recently taken the position as State Director of Vocational-Education and we assume that he will work at updating the policies and procedures handbook as soon as possible.

The other duty of the State Director which we noted was not in compliance was Item 9 which requires the director to meet with the local board of trustees twice a year. When we reviewed minutes of the board of trustees of the Great Falls School District we could find no indication that the State Director had met with the board of trustees during the year in audit. Because the administration of the Centers is divided between the State Director of Vocational-Education and the local board of trustees, it would appear to us a good procedure for the State Director to meet with the board of trustees on occasion to discuss items of mutual concern. We are not certain that the statutory requirement of twice a year is meaningful and if meetings more or less often would be sufficient, we suggest the statutory language should be changed.

RECOMMENDATIONS

1. We recommend that the State Director update the Policies and Procedures Handbook for Vocational-Technical Centers as soon as possible.
2. That the statutory requirement of meeting with the local board of trustees twice a year be carried out or that a legislative change be sought if the requirement is not meaningful.

BOARD OF TRUSTEES MINUTES

When we reviewed the minutes of the local board of trustees we noted that they had not been signed by the chairman since last April. We discussed the matter with Ben Lamb, the Assistant Superintendent for Business of the district, and were told that it had been the practice of the Great Falls District for some time to have all of the minutes for the year signed at the end of the year. It would appear to us to be more appropriate to have the minutes for one meeting signed at the next meeting as soon as they have been approved. This would eliminate any possible misunderstanding about approval of the minutes and would also assure that the minutes are signed which could be a problem if for some reason the chairman of the board became disabled or was to move from the area.

RECOMMENDATION

WE RECOMMEND TO THE BOARD OF TRUSTEES:

That the minutes be signed by the chairman immediately following approval at the next meeting.

PRIOR AUDIT RECOMMENDATIONS

The audit which was completed by the staff of the Legislative Auditor for the fiscal year ended June 30, 1978, contained 21 recommendations, all of which the Center had concurred with. At the time of that audit the accounting for the Center's fund was maintained by the local district business office in conjunction with hand records kept at the Center. Since that time, the accounting has been moved to the Statewide Budgeting and Accounting System. Fourteen of the prior recommendations referred to the previous accounting system and are no longer applicable. Of the other recommendations, all seem to have been complied with except the recommendation regarding student contact hours which we have addressed in this report.

FINAL COMMENTS

We have reviewed the comments and recommendations contained in this report with the director of the Great Falls Vocational-Technical Center as well as Mr. Gene Christiaansen, State Vocational-Education Director. The full text of the responses to this report by the Center and Mr. Christiaansen begins on page 48.

We wish to thank Mr. Frazer, Mr. Spinti, the Center staff, and Mr. Christiaansen for their cooperation and assistance in completing this audit.

DOWNTOWN PROFESSIONAL CENTER
314 NORTH LAST CHANCE GULCH

HAAS & HINTZ, PSC
RAE M. WAYNE E.

CERTIFIED PUBLIC ACCOUNTANTS
(406) 443-6200
P. O. BOX 198
HELENA, MONTANA 59624

November 17, 1981

Legislative Audit Committee
of the Montana State Legislature:

We have examined the Balance Sheet of the Great Falls Vocational-Technical Center as of June 30, 1981, and the related statements of changes in fund balances and current funds, revenues, expenditures and other changes in fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards and in accordance with standards published in the AICPA Industry Audit Guide, Audits of Colleges and Universities, and the United States General Accounting Office's Standards for Audits of Governmental Organizations, Programs, Activities, and Functions, and Guidelines for Financial and Compliance Audits of Federally Assisted Programs, and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our review of the general fixed assets of the Center indicated material discrepancies in costs recorded for some items on the Fixed Asset Inventory. Because of these errors, we believe the Fixed Asset Fund is materially overstated. Because of the number of discrepancies which we discovered in our sample, we were unable to determine the amount of that overstatement.

As of July 1, 1980, the Center began to account for its financial transactions on the Statewide Budgeting and Accounting System. As reported in the Notes to the Financial Statement, the Statewide Budgeting and Accounting System uses a modified accrual basis of accounting. Prior to that time, the Center's accounting was maintained on a cash basis of accounting. Therefore, the financial statements mentioned above are not consistent with those of preceding years.

Legislative Audit Committee
of the Montana State Legislature
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As part of our audit procedures, we examined the report by the Center on Student Contact hours and Full-time Student Equivalents. As described in the Findings and Recommendations sections of this report we were unable to verify the reported contact hours or subsequent calculation of full-time student equivalents. We are, therefore, unable to express an opinion on the accuracy of these reports.

In our opinion, except for the Fixed Asset Fund account, which is referred to in the second paragraph, the accompanying financial statements present fairly the financial position of the Great Falls Vocational-Technical Center as of June 30, 1981, and the results of its operation for the year then ended in conformity with generally accepted accounting principles. Because of the change in accounting systems which is reported in paragraph 3, the accounting principles have not been applied on a basis consistent with those of the preceding year.

The items titled "Totals (Memorandum Only)" on the Combined Statements of Revenue, Expenditures and Changes in Fund Balance are not necessary for a fair presentation of the financial statements. They are presented as supplemental information. This information has been subjected to the tests and other auditing procedures applied in the examination of the financial statement taken as a whole, and in our opinion, except for the effects of the matters discussed in paragraphs 2, 3, and 4, is fairly stated in all material respects in relation to the financial statement taken as a whole.

Haas & Hintz, PSC

HAAS & HINTZ, PSC

**GREAT FALLS VOCATIONAL-TECHNICAL CENTER
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**

June 30, 1981

	Governmental Fund Types			Proprietary Fund Types			Fiduciary Fund Types			Account Groups General Fixed Assets	Totals (Memorandum Only)
	General Fund	Special Fund	Revenue Fund	Operations	Enterprise	Trust & Legacy					
ASSETS											
Imprest Cash Fund				100						100	
Revolving Cash Fund				500	75					575	
Cash In Treasury				3,718	24,995					32,283	
Due from FYE Cash Adjustment				16,931						17,111	
Accounts Receivable Receipts					285					285	
Merchandise Inventory					18,824					18,824	
Other Advances							122			484	
Inter-entity Loan Receivable							120			120	
Deferred Accounts Receivable							1,647			4,803	
Refunds Receivable							3,156			4,238	
Fixed Assets										332,889	
TOTAL ASSETS	180	1,916	23,969	45,826	4,932	339,889	339,889	416,712			
LIABILITIES & FUND EQUITY											
Liabilities										400	
Accounts Payable				400						13,187	
Payroll Clearing				11,811						1,659	
Accrued Expenditures				1,659							
Accounts Payable - FYE					5,535						
Cash Adjustment						642					
Due to FYE Cash Cut-off						22,131					
Receipts Called in Advance						17,111					
Reserve for Deferred AR						17,992					
Inter-entity Loan Payable						1,648					
Total Liabilities						120					
Total Liabilities	7,915	19,012	38,000	8,559	762	0	74,248	74,248			
Fund Equity											
Fund Balances											
Reserve-Student Newspaper											
Reserve-Health Liability Insurance											
Reserve-Student Scholarship											
Reserve-Respiratory Technicians											
Reserve-Student Government											
Reserve-Revered Appropriations											
Reserve-Cash in Treasury											
Reserve-Contingency Operations											
Reserve- DRAFTS											
Unreserved: Undesignated											
Investment in General Fixed Assets											
Total Fund Equity	(7,735)	(11,096)	(14,031)	37,267	4,170	339,889	339,889	416,712			
TOTAL LIABILITIES & FUND EQUITY	180	1,216	2,493	45,826	4,932	339,889	339,889	416,712			

The accompanying notes are an integral part of this statement.

HANSEN & HINTZ, PSC

CERTIFIED PUBLIC ACCOUNTANTS

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GREAT FALLS VOCATIONAL-TECHNICAL CENTER
COMBINING BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 1981

	General Fund	Special Revenue	Operations	Total
ASSETS				
Imprest Cash Fund			100	100
Revolving Cash Fund			500	500
Cash in Treasury		1,916	3,718	5,634
Due from FYE Cash Adjustment	180		16,931	17,111
Other Advances			362	362
Inter Entity Loans Receivable			120	120
Refunds Receivable			2,238	2,238
Total Assets	180	1,916	23,969	26,065
LIABILITIES & FUND EQUITY				
Liabilities				
Accounts Payable		400		400
Payroll Clearing			11,811	11,811
Accrued Expenditures			1,659	1,659
Accounts Payable - FYE				
Cash Adjustment	7,915	911	7,128	15,954
Due to FYE Cash Cutoff		16,931	180	17,111
Rcpt's Called in Advance		770	17,222	17,992
Total Liabilities	7,915	19,012	38,000	64,927
Fund Equity				
Fund Balance				
Reserve for Reverted				
Appropriations		28,496	17,064	45,560
Reserve for Cash in				
Treasury		441	3,515	3,956
Reserve for Contingency				
Operation		9,417		9,417
Unreserved				
Undesignated	<u>(7,735)</u>	<u>(55,450)</u>	<u>(34,610)</u>	<u>(97,795)</u>
Total Fund Equity	(7,735)	(17,096)	(14,031)	(38,862)
Total Liabilities				
and Fund Equity	<u>180</u>	<u>1,916</u>	<u>23,969</u>	<u>26,065</u>

HAAS & HINTZ, PSC
RAE M. WAYNE E.

CERTIFIED PUBLIC ACCOUNTANTS
HELENA, MONTANA

The accompanying notes are an integral part of this financial statement.

**GREAT FALLS VOCATIONAL-TECHNICAL CENTER
COMBINING BALANCE SHEET - SPECIAL REVENUE
June 30, 1981**

	<u>Millage & Tuition</u>	<u>CETA Ind. Refund</u>	<u>Library Grant</u>	<u>Totals (Memo Only)</u>
ASSETS				
Imprest Cash Fund				
Revolving Cash Fund				
Cash in Treasury		1,405	511	1,916
Due from FYE Cash Cutoff				
Other Advances				
Inter Entity Loans Receivable				
Total Assets	<u>-0-</u>	<u>1,405</u>	<u>511</u>	<u>1,916</u>
LIABILITIES & FUND EQUITY				
Liabilities				
Accounts Payable		400		400
Payroll Clearing				
Accrued Expenditures				
Accounts Payable - FYE				
Cash Adjustment	170	671	70	911
Due to FYE Cash Cutoff	16,931			16,931
Rcpt's Called in Advance	770			770
Total Liabilities	<u>17,871</u>	<u>1,071</u>	<u>70</u>	<u>19,012</u>
Fund Equity				
Fund Balance				
Reserve for Reverted				
Appropriations	13,496	15,000		28,496
Reserve for Cash in				
Treasury			441	441
Reserve for Contingency				
Operation		9,417		9,417
Unreserved				
Undesignated	<u>(31,367)</u>	<u>(24,083)</u>		<u>(55,450)</u>
Total Fund Equity	<u>(17,871)</u>	<u>334</u>	<u>441</u>	<u>(17,096)</u>
Total Liabilities and Fund Equity	<u>-0-</u>	<u>1,405</u>	<u>511</u>	<u>1,916</u>

HAAS & HINTZ, PSC
 RAE M. WAYNE E.

CERTIFIED PUBLIC ACCOUNTANTS
 HELENA, MONTANA

The accompanying notes are an integral part of this financial statement.

GREAT FALLS VOCATIONAL-TECHNICAL CENTER
COMBINING BALANCE SHEET - OPERATIONS
June 30, 1981

	Operations Pool	Administrative Operations	Total
ASSETS			
Imprest Cash Fund	100		100
Revolving Cash Fund	500		500
Cash in Treasury		3,718	3,718
Due from FYE Cash Cutoff	16,931		16,931
Other Advances	362		362
Inter Entity Loans Receivable		120	120
Refunds Receivable	2,238		2,238
 Total Assets	 20,131	 3,838	 23,969
LIABILITIES & FUND EQUITY			
Liabilities			
Payroll Clearing	11,639	172	11,811
Accrued Expenditures	1,659		1,659
Accounts Payable - FYE			
Cash Adjustment	6,977	151	7,128
Due to FYE Cash Cutoff	180		180
Receipts Called in Advance	17,222		17,222
 Total Liabilities	 37,677	 323	 38,000
 Fund Equity			
Fund Balance			
Reserve for Reverted Appropriations	17,064		17,064
Reserve for Cash in Treasury		3,515	3,515
 Unreserved			
Undesignated	(34,610)		(34,610)
 Total Fund Equity	 (17,546)	 3,515	 (14,031)
 Total Liabilities and Fund Equity	 20,131	 3,838	 23,969

HAAS & HINTZ, PSC
 RAE M. WAYNE E.

CERTIFIED PUBLIC ACCOUNTANTS
 HELENA, MONTANA

The accompanying notes are an integral part of this financial statement.

GREAT FALLS VOCATIONAL-TECHNICAL CENTER
COMBINING BALANCE SHEET
PROPRIETARY FUND TYPE - ENTERPRISE
 June 30, 1981

	Auto Body	Watchmaking	Nurse Uniforms	Media Center	Bookstore	Cafeteria	TOTAL (Memo Only)
ASSETS							
Cash Change Funds							
Cash in Treasury	895	283	174	335	20,834	25	75
Accounts Receivable/Receipts	285					2,474	24,995
Merchandise Inventory						17,506	285
Other Advances						1,318	18,824
Deferred Accounts Receivable						1,647	1,647
TOTAL ASSETS	1,180	283	174	335	40,037	3,817	45,1826
LIABILITIES & FUND EQUITY							
Liabilities							
Payroll Clearing							
						720	656
							1,376
Accounts Payable FYE							
Cash Cutoff Adjustments	274	43				3,106	5,536
Reserve for Deferred Accts Receivable						1,647	1,647
Total Liabilities	274	43	-0-	-0-	5,473	2,769	8,559
Fund Equity							
Fund Balance:							
Reserve for Cash in Treasury	906	240	174	335	34,564	1,048	37,267
Total Fund Equity	906	240	174	335	34,564	1,048	37,267
TOTAL LIABILITIES & FUND EQUITY	1,180	283	174	335	40,037	1,048	45,1826

The accompanying notes are an integral part of this statement.

GREAT FALLS VOCATIONAL-TECHNICAL CENTER
COMBINING BALANCE SHEET
FIDUCIARY FUND TYPE - TRUST & LEGACY
June 30, 1981

	Student Aid Administration	Student Aid Other	Scholarships	Respiratory Technicians	DOAFS	Student Government	Student Newspaper	Health-Liability (Memo Only)	Total
ASSETS									
Cash in Treasury									
Due from DOAFS									
Other Advances									
Total Assets	122								122
LIABILITIES & FUND EQUITY									
Liabilities									
Inter-loan Payable									
Accounts Payable									
Expended Program Authorization									
Total Liabilities	-0-			-0-		290	-0-	232	-0-
Fund Equity									
Fund Balance:									
Reserve for Student Newspaper									
Reserve for Health Liability Insurance									
Reserve for Cash in Treasury									
Reserve for Student Scholarship									
Reserve for Respiratory Technicians									
Reserve for Student Government									
Reserve for DOAFS									
Total Fund Equity	122		311	134	548	3,156	548	4	(105)
TOTAL LIABILITIES & FUND EQUITY	122		311	424	3,156	780	4	135	4,932

The accompanying notes are an integral part of this statement.

GREAT FALLS VOCATIONAL-TECHNICAL CENTER
COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
Year Ended June 30, 1981

	Governmental Fund Types	Proprietary Fund Types	Fiduciary Fund Types	Totals (Memorandum only)
REVENUE	General	Special Revenue	Enterprise	
Appropriations				
Taxes	595,803			595,803
Service Fees		115,042		115,042
Federal Funds		102,475		102,475
Sale of Doc. Mse & Prop.		199,531		199,439
Rental Leases & Royalties		1,900	257	116,330
Miscellaneous			966	966
Grants, Gifts, & Donations			2,163	2,408
Total Revenues	595,803	418,948	3,386	104,367
EXPENDITURES				1,229,813
CETA Referral		22,957		22,957
Library Grant		1,459		1,459
Operations		964,037	37,785	1,020,411
Equipment		23,371	928	24,299
Goods for Resale			62,332	62,416
Grants - From State Source				80,268
Grants - From Other Sources				1,328
Total Expenditures	-0-	24,416	987,408	101,045
Excess (Deficiency) of Revenues Over Expenditures	595,803	394,532	(984,022)	6,264
Other Financing Sources (uses):				4,098
Operating Transfers In				16,675
Operating Transfers Out	(595,803)	(394,697)	990,500	3,810
Total Other Financing Sources	(595,803)	(394,697)	990,500	-0-
Excess (deficiency) of Revenues and Other Financing Sources Over Expenditures & Other Uses	-0-	(165)	6,264	3,810
Fund Balance at Beginning of Year	-0-	6,478	7,908	20,485
Adjustments	(7,735)	(16,931)	(20,509)	31,003
Fund Balance at End of Year	(7,735)	(17,096)	(14,031)	(6,893)
				(21,065)
				(580)

HANSEN & HINZ, PSC

CERTIFIED PUBLIC ACCOUNTANTS
HELENA, MONTANA

The accompanying notes are an integral part of this statement.

GREAT FALLS VOCATIONAL-TECHNICAL CENTER
 COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES
 GOVERNMENTAL TYPE FUNDS
 Year Ended June 30, 1981

	General	Special Revenue	Operations	Total
REVENUE				
Appropriations	595,803			595,803
Taxes		115,042		115,042
Service Fees		102,475		102,475
Federal Funds		199,531	257	199,788
Sale of Doc. Mdse & Prop.		1,900		1,900
Rental Leases & Royalties			966	966
Miscellaneous			2,163	2,163
Total Revenues	<u>595,803</u>	<u>418,948</u>	<u>3,386</u>	<u>1,018,137</u>
EXPENDITURES				
CETA Referral		22,957		22,957
Library Grant		1,459		1,459
Operations			964,037	964,037
Equipment			23,371	23,371
Total Expenditures	<u>-0-</u>	<u>24,416</u>	<u>987,408</u>	<u>1,011,824</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>595,803</u>	<u>394,532</u>	<u>(984,022)</u>	<u>6,313</u>
Other Financing Sources (uses):				
Operating Transfers In			990,500	990,500
Operating Transfers Out	<u>(595,803)</u>	<u>(394,697)</u>		(990,500)
Total Other Financing Sources	<u>(595,803)</u>	<u>(394,697)</u>	<u>990,500</u>	<u>-0-</u>
Excess (deficiency) of Revenues and Other Financing Sources over Expenditures & Other Uses	<u>-0-</u>	<u>(165)</u>	<u>6,478</u>	<u>6,313</u>
Fund Balance At Beginning of Year	<u>-0-</u>			
Adjustments	<u>(7,735)</u>	<u>(16,931)</u>	<u>(20,509)</u>	<u>(45,175)</u>
Fund Balance at End of Year	<u>(7,735)</u>	<u>(17,096)</u>	<u>(14,031)</u>	<u>(38,862)</u>

HAAS & HINTZ, PSC
 RAE M. WAYNE E.
 Certified Public Accountants

CERTIFIED PUBLIC ACCOUNTANTS
 HELENA, MONTANA

The accompanying notes are an
 integral part of this financial
 statement.

GREAT FALLS VOCATIONAL-TECHNICAL CENTER
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES (BY OBJECT OF EXPENDITURES),
AND CHANGES IN FUND BALANCE
FOR YEAR ENDED JUNE 30, 1981

	Millage & Tuition	Fed Vo-Tech Funds	CETA Referral	Library Grant	Totals (Memo Only)
<u>REVENUES</u>					
Taxes	115,042				115,042
Service Fees	102,475	176,240	23,291		102,475
Federal Funds					199,531
Sale of Doc, Mdse & Prop					1,900
Total Revenues	217,517	176,240	23,291		1,900
<u>EXPENDITURES BY OBJECT</u>					
Personal Services					
Personnel	8,704				8,704
Employee Benefits	1,456				1,456
Total Personal Services	-0-	-0-	10,160	-0-	10,160
Operating Expenses					
Contract Services	45				45
Supplies & Materials	4,256		1,459		5,715
Other	8,496				8,496
Total Operating Expenses	-0-	-0-	12,797	1,459	14,256
Equipment					
Total Expenditures By Object	-0-	-0-	22,957	1,459	24,416
Excess (Deficiency) of Revenues Over Expenditures	217,517	176,240	334	441	394,532
Other Financing Sources (Uses):					
Operating Transfers In	(218,457)	(176,240)			394,697
Operating Transfers Out					394,697
Total Other Financing Sources	(218,457)	(176,240)			
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures and Other Uses	(940)	-0-	334	441	(165)
Fund Balance at Beginning of Year	-0-	-0-	-0-	-0-	-0-
Adjustments	(16,931)	-0-	-0-	-0-	(16,931)
Fund Balance at End of Year	(17,871)	-0-	334	441	(17,096)

HANAS & HINTZ, PSC

CERTIFIED PUBLIC ACCOUNTANTS

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GREAT FALLS VOCATIONAL-TECHNICAL CENTER
OPERATIONS
COMBINING STATEMENT OF REVENUES, EXPENDITURES (by object of
expenditure), AND CHANGES IN FUND BALANCE
Year Ended June 30, 1981

	Operations Pool	Administrative Operations	<u>Totals</u>
REVENUES			
Rental, Leases & Royalties		966	966
Miscellaneous		2,163	2,163
Federal Assistance		257	257
Total Revenue		3,386	3,386
EXPENDITURE BY OBJECT			
Personal Services			
Personnel-Salaries	628,373	420	628,793
Personnel-Hourly	58,637		58,637
Employee Benefits	<u>123,447</u>	32	<u>123,479</u>
Total Personal Services	810,457	452	810,909
OPERATING EXPENSES			
Contracted Services	5,321	650	5,971
Supplies & Materials	51,838	(672)	51,166
Communications	13,717		13,717
Travel	3,913	41	3,954
Rent	17,503		17,503
Utilities	36,320		36,320
Repair & Maintenance	18,851		18,851
Other	<u>5,646</u>		<u>5,646</u>
Total Operating Expenses	153,109	19	153,128
Equipment	<u>23,371</u>		<u>23,371</u>
Total Expenditures	<u>986,937</u>	471	987,408
Excess (deficiency) of Revenue over expenditures	<u>(986,937)</u>	2,915	<u>(984,022)</u>
Other Financing Sources (uses)			
Operating Transfers In	990,500		990,500
Operating Transfers Out			
Total Other Financing Sources	990,500	-0-	990,500
Excess (deficiency) of Revenue and other financing sources over expenditure and other uses	3,563	2,915	6,478
Fund Balance at Beginning of Year	-0-		
Adjustments	<u>(21,109)</u>	600	<u>(20,509)</u>
Fund Balance at End of Year	<u>(17,546)</u>	<u>3,515</u>	<u>(14,031)</u>

GREAT FALLS VOCATIONAL-TECHNICAL CENTER
ENTERPRISE FUNDS
**COMBINING STATEMENT OF REVENUES, EXPENDITURES (by object of
 expenditure) AND CHANGES IN FUND BALANCE**
 Year Ended June 30, 1981

	Auto Body Repair	Watchmaker Repairs	Nurse Assist.	Medical Center	Bookstore	Food Service	Total (Memo Only)
<u>REVENUES</u> Sale of Doc., Mdse, Property	4,909	933	620	435	70,450	29,962	107,309

EXPENDITURES BY OBJECT

Personal Services							
Personnel - Salaries							
Personnel - Hourly							
Employee Benefits							
Total Personal Services							
Operating Expenses							
Contracted Services							
Supplies & Materials							
Repair & Maintenance							
Other							
Goods Purchased for Resale	4,326	1,077	390				
Total Operating Expenses	4,329	1,089	446	239	57,620	16,259	62,332
Equipment							
Total Expenditures	4,329	1,089	446	239	61,874	33,068	101,045
Excess (deficiency) of Revenues over Expenditures	580	(156)	174	196	8,576	(3,106)	6,264
Fund Balance at Beginning of Year	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Adjustments	326	396		139	25,988	4,154	31,003
Fund Balance at End of Year	906	240	174	335	34,564	1,048	37,267

GRANT FUNDING STATEMENT - EXPENDITURE REPORT
 FOR THE PERIOD OF JULY 1, 1991 - JUNE 30, 1992
 Year Ended June 30, 1992

	College Work Study Allowance	Student Allowance	SSIG	Other Science & Student Aid	Respiratory Tech	BEOG	Student Gov't	Student Newspaper	Health Liab. Ins.	Totals (memo only)
<u>REVENUES</u>										
Sale of Doc., Mdsse, Property										7,121
Grants, Gifts & Donations	176	984		1,440	750		83,000			3,350
Federal Assistance	10,651									93,651
Miscellaneous										245
Total Revenue	10,827	984		1,440	750		83,000			104,367

EXPENDITURES BY OBJECT

Personal Services	700	251					6,276	16	1	701
Personnel - Salaries	23	107					42			6,543
Employee Benefits	5,451	122	-0-	-0-			373			941
Total Personal Services	5,475	122	-0-	-0-			128	(20)	330	373
Operating Expenses							84			4,458
Contract Services							6,904	(4)	336	84
Supplies & Materials										
Travel										
Repair & Maintenance										
Other										
Goods Purchased for Rev't										
Total Operating Expenses	705	739	3,310	-0-			6,904	(4)	336	113,100
Grants Other Sources							80,268			81,596
Total Expenditures	6,156	861	3,310	1,325			80,268	6,904	(4)	336
Excess (deficiency) of Revenues over Expenditures	4,671	123	(3,810)	112			2,752	237	4	(105)
Other Financing Sources (uses):										4,098
Operating Transfers In										3,810
Excess (deficiency) of Revenues & Other Financing Sources over Expenditures and Other Uses	4,671	123	-0-	112	134	2,752	237	4	(105)	7,908
Fund Balance at Beginning of Year	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Adjustments	(4,671)				134	(2,372)	311			(6,893)
Fund Balance at End of Year	-0-	123	-0-	41	134	-0-	548	4	(105)	1,015

The accompanying notes are an integral part of this statement.

GREAT FALLS VOCATIONAL-TECHNICAL CENTER
OPERATIONS

STATEMENT OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL
Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (unfavorable)
Personal	826,282	810,909	15,373
Operating Expenses	154,240	153,128	1,112
Equipment	<u>23,473</u>	<u>23,371</u>	102
Total	<u>1,003,995</u>	<u>987,408</u>	16,587

HAAS & HINTZ, PSC
RAE M. WAYNE E.

CERTIFIED PUBLIC ACCOUNTANTS
HELENA, MONTANA

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The accompanying notes are an
integral part of this statement.

GREAT FALLS VOCATIONAL-TECHNICAL CENTER
NOTES TO THE FINANCIAL STATEMENTS
For Fiscal Year Ended June 30, 1981

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The preceding financial statements were prepared from the Statewide Budgeting and Accounting System (SBAS) and the Property Accountability and Management System (PAMS).

The State of Montana and the Great Falls Vocational-Technical Center utilize the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recorded when the related liability is incurred. Revenues are recorded when received in cash, unless susceptible to accruals. Revenues are susceptible to accruals when they are measurable and available to finance expenditures of the fiscal period, or are not received at the normal time of receipt.

Fund Accounting

In order to insure observance of limitations and restrictions placed on the use of the resources available to the Center, the accounts of the Center are maintained in accordance with the principals of "fund accounting." This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

All of the governmental funds available to the Center are unrestricted as distinguished from restricted funds which may be allocated to specific purposes by outside sources. All funds of the Center may be utilized only in accordance with purposes established by the legislature of the State of Montana which requires that the county 1.5 mill levy and student tuitions and fees be expended before use of the State's appropriated funds. Funds available from federal sources are restricted to a specific use as contained in the grants from the federal government.

As noted in the Accountant's Opinion Letter, the Center began using the Statewide Budgeting and Accounting System for preparation of their accounting records as of July 1, 1980. Prior to that time, the Center's operations were accounted for on the cash basis of accounting as is generally used by Montana school districts. The change to the use of the Statewide Budgeting and Accounting System and modified accrual basis of accounting was mandated by the state legislature. Because of the change, there were no fund balances at the beginning of the year.

HAAS & HINTZ, PSC
RAE M. WAYNE E.

CERTIFIED PUBLIC ACCOUNTANTS
HELENA, MONTANA

Inventories

There are no assets recorded for supplies inventory in the operations fund. Supplies are expensed when purchased. Merchandise inventories are included in the Proprietary Fund Type, for the book store and cafeteria operations. Such inventories are recorded on a first-in, first-out basis.

General Fixed Assets

General Fixed Assets are recorded as expenditures in the various funds at the time of purchase, and accounted for in the General Fixed Assets Account group.

In the audit period, the Center accounted for fixed assets using PAMS. Fixed assets recorded on PAMS include those of a relatively permanent nature with a useful life of more than one year, and a unit cost of \$200 or more. Assets purchased are recorded at acquisition cost, and depreciation is not recorded for general fixed assets. As explained in the Accountant's Report and in the management recommendations, there are material discrepancies in costs recorded for some items on the fixed asset inventory. Because of these discrepancies, the fixed asset inventory total as recorded on the statements is not accurate.

Note 2. VACATION AND SICK LEAVE

Liabilities incurred because of employees' unused vacation and sick leave are not recorded. The related expenditures are reported when paid. Permanent non-teaching employees are allowed to accumulate and carry over a maximum of two times their annual accumulation of vacation into 90 days of a new calendar year. Upon termination, qualifying employees having unused accumulated vacation and sick leave, receive 100% for vacation and 25% payment for sick leave. The liability amount associated with unused accumulated vacation and sick leave at June 30, 1981 is maintained on an hourly basis, rather than by dollar amount. The monetary liability is not calculated until an employee terminates.

Note 3. EMPLOYEE RETIREMENT SYSTEMS

Non-teaching employees are covered by the Public Employees Retirement System (PERS). Instructors at the Center and certain professional administrative staff are covered by the Montana Teachers Retirement System (TRS). Both plans are operated by the State of Montana; and membership is compulsory for the respective classes of employees. Contributions for participants and the Center are based on a percentage of the participant's salary.

Defined benefits under both plans are based on years of service and final average salary of the participant. The actuarial present value of vested benefits and the amount (if any) of unfunded past service costs for employees covered under the plans has not been determined.

Note 4. BUDGET INFORMATION

The Center utilizes the fixed annual basis of budgeting. Under the fixed annual method, appropriations of specific dollar amounts are set for each fiscal year of a biennium by the Legislature. Appropriations control the Center's financial operations during each fiscal year. At the end of each year, the remaining appropriations balance reverts to the fund of original appropriation. The reverted appropriation may be used in the subsequent year only as authorization for valid prior year obligations.

Budget amendments represent the authorization to spend funds not available for consideration by the Legislature, but available from sources other than the General Fund or federal revenue sharing monies.

Revenues for operation of the Center are collected in the appropriate funds and transferred to the operation fund for expenditure. Expenditure of special revenue funds are limited to actual amount collected, as well as limited by the legislative appropriation.

Note 5. FUNDING

Center operations are funded by four major sources of revenue. The state general fund monies and monies provided by the federal government for operation of the vocational-technical centers are appropriated by the state legislature to the Superintendent of Public Instruction who has the responsibility for determining each center's share.

Other sources of revenue for the Center are the 1.5 mill county-wide levy, and tuition paid by students or paid by specific federal financial aid programs.

Proprietary Fund Types include operation of the book store, cafeteria, and special funds for various instructional programs at the Center. Fiduciary Fund Types include student aid, student government and health and liability insurance collections.

The General Fixed Asset Fund includes only equipment and furniture at the Center. The land and buildings are owned by Cascade School District #1, who are also responsible for the indebtedness on the building. Therefore, such bond indebtedness is not included in this report.

**GREAT FALLS VOCATIONAL-TECHNICAL CENTER
SCHEDULE OF FULL-TIME STUDENT EQUIVALENTS
For Year Ended June 30, 1981**

<u>Fall Quarter 1980</u>	<u>Number of Students</u>	<u>Hours Per Day</u>	<u>Days Per Quarter</u>	<u>Contact Hours</u>	<u>FTE</u>	<u>Student Count by Auditor</u>	<u>Variance Over (under)</u>
Practical Nurse	59	7	58	23,954	58	(1)	
Dental Assistant	25	7	58	10,150	40.6	25	0
File Clerk	2	5	58	580	2.3	1	(1)
Clerk Typist (day)	24	5	58	6,960	27.8	15	(9)
Clerk Typist (evening)	23	1	55	1,265	5.1	23	0
General Secretary	17	5	58	4,930	20.0	13	(4)
Legal Secretary	15	5	58	4,350	17.4	9	(6)
Medical Secretary	46	5	58	13,340	53.4	33	(13)
Bookkeeper/Accountant	55	5	58	15,950	63.8	51	(4)
Bookkeeper (evening)	29	1	55	1,595	6.4	29	0
Data Entry Operator	54	5	58	15,660	62.6	41	(13)
Clerk, General Office	28	5	58	8,120	32.5	21	(7)
Multi-occupations	14	5	58	4,060	16.2	14	0
Auto Body Repair	31	6	58	10,788	43.2	28	(3)
Front End Alignment	4	6	30	720	2.9	3	(1)
Watchmaking	11	6	58	3,828	15.3	11	0
Mid-management	21	6	840	840	3.4	19	(2)
Nurse Attendant/Orderly			40			14	(1)
Totals	<u>15</u>	<u>475</u>		<u>131,890</u>	<u>527.9</u>	<u>(65)</u>	
<u>Winter Quarter 1981</u>							
Practical Nurse	35	7	58	14,210	56.8	34	(1)
Dental Assistant	20	7	58	8,120	32.48	19	(1)
Clerk Typist (day)	17	5	58	4,930	19.72	17	0
Clerk Typist (evening)	20	1	55	1,100	4.40	20	0
General Secretary	12	5	58	3,480	13.92	13	1
Legal Secretary	19	5	58	5,510	22.04	17	(2)
Medical Secretary	32	5	58	9,280	37.12	35	3
Bookkeeper/Accountant	60	5	58	17,400	69.60	58	(2)
Bookkeeper (evening)	1	1	55	1,430	5.72	26	0
Data Entry Operator	66	5	58	19,140	76.56	66	0
Clerk, General Office	28	5	58	8,120	32.48	22	(6)
Skill Building	21	5	58	6,090	24.36	17	(4)
Auto Body Repair	15	6	58	5,220	20.88	13	(2)
Auto Body	16	6	45	4,320	17.28	20	4
Watchmaking	11	6	58	3,828	15.31	11	0
Nurse Attendant			40	<u>3,840</u>	<u>15.36</u>	<u>12</u>	<u>0</u>
Totals	<u>12</u>			<u>416,018</u>	<u>464.03</u>	<u>(10)</u>	

AUDIT REPORT
FOR
STUDENT FINANCIAL AID PROGRAM

GREAT FALLS VOCATIONAL-TECHNICAL CENTER
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1981

Continued

<u>Spring Quarter 1981</u>	<u>Number of Students</u>	<u>Hours Per Day</u>	<u>Days Per Quarter</u>	<u>Contact Hours</u>	<u>FTE</u>	<u>Student Count By Auditor</u>	<u>Variance Over (under)</u>
Practical Nurse	62	7	58	25,172	100.7	72	10
Dental Assistant	18	7	58	7,308	29.23	20	2
Clerk Typist (day)	15	5	58	4,350	17.4	14	(1)
Clerk Typist (evening)	18	1	55	990	3.96	16	(2)
General Secretary	9	5	58	2,610	10.44	10	1
Legal Secretary	19	5	58	5,510	22.04	17	(2)
Medical Secretary	39	5	58	11,310	45.24	30	(9)
Bookkeeper/Accountant	56	5	58	16,240	64.96	55	(1)
Bookkeeper	35	1	55	1,925	7.70	25	(10)
Data Entry Operator	68	5	58	19,720	78.88	64	(4)
Clerk, General Office	21	5	58	6,090	24.36	21	0
Skill Building	9	5	58	2,610	10.44	11	2
Auto Body Repair	23	6	58	8,004	32.02	24	1
Watchmaking	7	6	58	2,436	9.74	7	0
Nurse Attendant	14	8	40	4,480	17.92	16	2
Medical Transcript	0					13	13
Teller Training	9	1	55	495	1.98	12	3
Mid-management						2	2
File Clerk	6			1,740	6.96	10	4
Front End Alignment	6			1,080	4.32	6	0
Totals	434			122,070	488.29	445	11

INTRODUCTION

BACKGROUND

The Great Falls Vocational-Technical Center is a post-secondary education unit and was approved for participation in the student financial aid programs in May 1970. Our examination of the College Work-Study Program and Basic Educational Opportunity Grants Program of the Great Falls Vocational-Technical Center for the year ended June 30, 1981 was directed toward the objectives set forth in the Audit Guide date June 1980, prepared by the Department of Education.

COLLEGE WORK-STUDY (CWS PROGRAM)

The Great Falls Vocational-Technical Center began participation in the College Work-Study Program under Title IV, Part C, of the Higher Education Act of 1965 as amended in May 1970. During the year ended June 30, 1981, twenty-one students participated in the program, and expenditures for wages aggregated \$5,450.56 from federal funds, \$2,166.31 from Center funds, and \$175.66 from off-campus agencies. The authorization award letter to the Center for the academic year 1980-81 was in the amount of \$6,866.00.

BASIC EDUCATIONAL OPPORTUNITY GRANT (BEOG PROGRAM)

The Center entered into an agreement with the Office of Education in July 1980 to participate in the Basic Educational Opportunity Grant (BEOG) Program. This program provides eligible students with a foundation of financial aid to help defray the costs of post-secondary education. Program funds in the amount of \$80,555.00 were authorized for the academic year 1980-81. This full amount was expended for basic grant awards to 164 students, 23 of which were part-time students.

The Center officials responsible for overall administration of the programs are the financial aid counselor and the assistant director in charge of financial aid.

The financial aid office is responsible for application processing, and also providing information for loan approvals under the National Direct Student Loan Program, which is administered by the local area banks. The financial aid office is also responsible for the Center's compliance with the various regulations governing the institution's participation in federal and state student financial aid program.

The assistant director in charge of financial aid is responsible for the program's financial management and quarterly financial reports for the programs. All payments and collections are processed through the Statewide Budgeting and Accounting System, which also contains the general ledger accounting.

During the year ended June 30, 1981, the institution received other student financial aid funds under the State Student Incentive Grant Program in the amount of \$3,810.

SCOPE OF AUDIT

Our audit of the College Work-Study Program and Basic Educational Opportunity Grants Program was performed in accordance with financial and compliance elements of the "Standards for Audit of Governmental Organizations, Programs, Activities and Functions" issued by the Comptroller General in June 1972 (1974 reprint) and the Audit Guide prescribed by the Department of Education, dated June 1980. The purpose of the audit is to formulate an opinion on the basic financial statements taken as a whole, and to determine if these programs were administered in accordance with the applicable laws, regulations, terms of agreement, and E.D. directives, which are set forth in the Audit Guide. The audit included:

1. Expressing an opinion on the Balance Sheets, related Statements of Changes in Fund Balances and supplementary schedules.
2. Evaluation of the Center's policies, procedures and practices used to administer the program.
3. Determination of compliance with applicable sections of the acts, related federal regulations, and Department of Education policies and procedures.
4. Evaluation of the Center's system of internal control, accounting, and reporting; and the controls maintained in the operation of an accounting for the funds provided for the program.
5. Reconciliation of the information reported on the appropriate financial statements, ED Form 646, DFAFS Form 27, and the institutional progress report for basic educational opportunity grants for the year audited.

As part of our audit, we obtained confirmation from selected students on BEOG awards and students participating in the CWS Program. We contacted 29 students participating in the programs, which is about 20% of the total number of students receiving student aid funds. Thirteen of the students were contacted in person or by telephone. The balance were confirmed by mail. Alternative auditing procedures were applied to all noncorresponding accounts.

The audit covered the period July 1, 1980 through June 30, 1981. Field work was performed during the period October 19, 1981 through November 10, 1981 at the institution's business and student financial aid offices.

HIGHLIGHTS OF AUDIT RESULTS

Our unqualified opinion on the basic financial statements appears on page 32 of this report. During our audit, nothing came to our attention which caused us to believe that the Great Falls Vocational-Technical Center had not generally administered its student aid programs (CWS and BEOG) in accordance with the federal regulations and directives cited in the Audit Guide for the CWE and BEOG Programs. However, certain areas of the Center's management of the student aid programs were in need of improvement, as follows:

Item 1. The procedure and accounts used to record transactions on the Statewide Budgeting and Accounting System should be simplified and consolidated.

Item 2. The excess funds resulting from overmatch of federal grants in prior years should be identified and used to supplement the Center's Work-Study Program.

Item 3. Cash on hand for the DFAFS account was incorrectly transferred to the Superintendent of Public Instruction Vocational Technical Fund at year end.

These matters are discussed more fully under the Findings and Recommendations section of this report, on page 33. The Center agreed to improve its accounting procedures and will develop a program to use the excess match funds.

DOWNTOWN PROFESSIONAL CENTER
314 NORTH LAST CHANCE GULCH

HAAS & HINTZ, PSC
RAE M. WAYNE E.

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P.O. BOX 198
HELENA, MONTANA 59624

November 19, 1981

Great Falls Vocational-Technical Center

We have examined the balance sheets of the College Work-Study and Basic Educational Opportunity Grants programs of the Great Falls Vocational-Technical Center as of June 30, 1981, and the related statements of changes in fund balances for the year then ended. Our examination was made in accordance with the financial and compliance elements of the Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the U. S. Comptroller General in 1972 (1974 reprint). Accordingly, we conducted such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The Guide for Audits of NDSL, CWS, and SEOG Programs, Department of Education, dated June 1980 was used as a guide in the examination.

In our opinion, the aforementioned financial statements present fairly the financial position of the College Work-Study and Basic Educational Opportunity Grant programs of the Great Falls Vocational-Technical Center at June 30, 1981, and the changes in their fund balances for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Haas & Hintz PSC

HAAS & HINTZ, PSC

FINDINGS AND RECOMMENDATIONS - FINANCIAL

ACCOUNTING

When the Vocational-Technical Center accounting records were transferred to the Statewide Budgeting and Accounting System (SBAS), a series of accounting entities and responsibility centers were established by the Department of Administration to record the income and expenditures of various programs. Funds are received by the Center from the Departmental Federal Assistance Financing System (DFAFS) for the HEW Library Grant, the College Work-Study Program and the Basic Educational Opportunity Grant Program. One accounting entity (8003) was established to record funds due from DFAFS. We determined that a receivable had been established in entity 8003 in August 1980 for the \$6,866.00 grant under the College Work-Study Program, and \$1,900.00 for the Library Grant. Other transactions in the entity were recorded in September as follows:

\$5,593.33 of cash on hand from prior year operations was deposited to the entity and coded as a reduction of the receivable.

\$1,000.00 was deducted from the receivable and transferred to the College Work-Study Administration Entity.

\$983.62, which was the administrative balance from the prior year, was added back to the receivable in an apparent transfer to the College Work-Study Administration Responsibility Center.

The results of these transactions were to leave a \$3,156.29 balance due from DFAFS, with an offsetting account in the entity entitled 'Expended Program Authorization'. We also had problems in reconciling entities which had been established for the student aid administrative allowance, BEOG, and College Work-Study. The revenue, income and expenditures recorded in these entities did not agree with the federal reports which have been submitted. Total expenditures under the BEOG Program on the SBAS reports does agree with the DFAFS Form 27. However, the Institutional Progress Report for Basic Educational Opportunity Grants reports \$287 more in grants awarded, which Center officials explained as a late payment to an eligible student.

Accounting records should allow for the uncomplicated and accurate recording of receipt and expenditure of funds in all programs. It does not appear to us that the system established for the Center for these programs meets either criteria.

RECOMMENDATIONS

1. We recommend the reconciliation of federal grant monies received from the Departmental Federal Assistance Financing System, so that Center records and federal expenditure reports are in agreement.

2. We recommend a review of the accounting procedures established for federal assistance funds to assure accurate and simple recording of all funds received and expended.

PRIOR YEAR FUNDS

It has been the practice of the Center for several fiscal years to contribute a 30% match to the College Work-Study program even though only 20% is required. As a result, the College Work-Study audit report for the year ended June 30, 1980, reported cash on hand of \$5,593.33, \$64 of which was accrued wages payable, \$183 federal fund balance, and \$5,346 over-advance from the Center. In August 1980, this amount was deposited in the Montana State Treasury as discussed in the preceding section. Later in the year, the Center Assistant Superintendent for business, Mr. Carl Spinti, analyzed the College Work-Study program receipts and expenditures for prior years; and according to his analysis, the \$5,346 was excess match which the Center deposited to the College Work-Study account in previous years and carried over in that account when the Center's financial records were maintained by School District #1. Although Mr. Spinti had requested authorization to use these funds for additional work-study grants, he had not received a response from the federal officials by the date the audit field work was completed. Because these funds were actually contributions from Center funds it would seem to us they should be available to supplement future work study grants.

RECOMMENDATION:

We recommend that the Center develop a plan and guidelines for use of these excess state funds in future work-study programs, and request clarification from the federal grantee on use of these funds.

CASH ON HAND

According to the Center's accounting records, cash was received during fiscal year 1981 from DFAFS as follows:

Library grant	\$ 1,900.00
BEOG	\$ 83,000.00
CWS	\$ 6,041.00
	\$ 90,941.00

Total expenditure of federal funds for the period are recorded as follows on fiscal year-end SBAS reports:

Library grant	\$ 1,459.06
BEOG	\$ 80,268.22
CWS	\$ 5,450.56
	\$ 87,177.84

One additional BEOG expenditure of \$287.00, which was chargeable to the grant period was not recorded until after the SBAS reports were closed for the year. Therefore, we believe the total reported expenditures should be \$87,464.84 with a cash balance on hand of \$4,050.16 and a payable of \$287.00 at fiscal year end.

When we renewed the cash in Treasury for the various accounting entities we could not reconcile the balances with the above amounts. We believe part of the problem is the excess cash deposited from prior year over match as well as overmatch of CWS funds for the audit period, and an error in reporting as "federal funds expended" the off-campus match payments.

A further problem was noted in reviewing the post closing balances for these entities. As part of the closing entries all cash balances at the Center were transferred to the account of the Superintendent of Public Instruction. Section 20-7-325(2) MCA states:

"(2) A postsecondary vocational-technical center shall apply expenditures against nongeneral fund money wherever possible before using state general fund appropriations. All state general fund money appropriated or disbursed to a postsecondary vocational-technical center which are unexpended at fiscal year end shall revert to the state general fund."

We believe funds provided for CWS and BEOG programs are held in trust by the Center as agents of the U. S. Government solely for the purposes authorized and in our opinion should not revert to the state general fund.

RECOMMENDATION:

We recommend that the Center reconcile the DFAFS cash balance and request the return of those fund to the proper account.

INTERNAL ACCOUNTING AND ADMINISTRATIVE CONTROLS AND COMPLIANCE

We have examined the financial statements on the College Work-Study and Basic Educational Opportunity Grants Programs of the Great Falls Vocational-Technical Center for the year ended June 30, 1981. Our opinion on the above-mentioned statements is contained on page 32 of this report. As a part of our examination, we have made a study of the Center's system of internal accounting control to the extent we considered necessary to evaluate the system as required by "Standards for Audits of Governmental Organizations, Programs, Activities and Functions", issued by the Comptroller General (GAO) in June 1972 (1974 reprint). Under these standards, the purpose of such evaluation is to establish a basis for reliance thereon in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements.

We have also made a study of those internal accounting control and administrative control procedures of the Great Falls Vocational-Technical Center that we considered relevant to the criteria established by the Department of Education, as set forth in Sections 3.2, 3.3 and 3.4 of its Audit Guide issued June 1980. Our study included tests of compliance with such procedures during the period from July 1, 1980 through June 30, 1981.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. We understand that the objective of those administrative control procedures comprehended in the Department of Education criteria is to provide similar assurance as to compliance with its related requirements. The concept of reasonable assurance recognizes that the cost of a system of internal control should not exceed the benefits derived, and also recognizes that the evaluation of these factors necessarily require estimates and judgments by management.

There are inherent limitations which should be recognized in considering the potential effectiveness of any system of internal control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends on segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management with respect either to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, and that the degree of compliance with the procedures may deteriorate.

We understand that procedures in conformity with criteria referred to in the second paragraph of this report are considered by the Department of Education to be adequate for its purpose, in accordance with the provisions of the Higher Education Act of 1965 and related regulations, and that procedures not in conformity therewith indicate some inadequacy for such purpose. Based on this understanding and on our study, we believe the Great Falls Vocational-Technical Center procedures were adequate for the Department's purposes, except for the conditions described on pages 33 through 35 of this report, which we believe are not in conformity with the criteria referred to above.

This report is intended for use in connection with the programs to which it refers, and should not be used for any other purposes.

PRIOR AUDIT REPORTS

The most recent prior audit report issued relating to the Student Financial Aid Program for the Center was for the fiscal year ending June 30, 1980. This report included an unqualified opinion and contained seven audit recommendations for improvement of internal accounting and administrative controls and compliance. As the Center's accounting system had been substantially changed in this audit period, we believe the recommendations regarding accounting records, institutional contributions and timing of cash requests from DFAFS, had either been complied with or were no longer applicable. Our review of student files indicated that proper documentation and information was on hand. The Center had instituted a program of stamping all work-study payroll checks to properly identify them. It appeared to us that there was adequate financial aid information to students even if the counselor was absent from the Center. There had been no questioned costs reported in the prior audit.

GREAT FALLS VOCATIONAL-TECHNICAL CENTER
COLLEGE WORK-STUDY PROGRAM
BALANCE SHEET
June 30, 1981

ASSETS

Cash in Treasury	-0-
Due from State	4,671.67
Due from Payroll Pool	<u>121.58</u>
Total Assets	<u>4,793.25</u>

LIABILITIES & FUND BALANCE

Fund Balance - Center	4,062.04
Fund Balance - Federal	<u>731.21</u>
Total Liabilities & Fund Balance	<u>4,793.25</u>

HAAS & HINTZ, PSC
RAE M. WAYNE E.

CERTIFIED PUBLIC ACCOUNTANTS
HELENA, MONTANA

The accompanying notes are an integral part of this financial statement.

BASIC EDUCATIONAL OPPORTUNITY GRANTS PROGRAM
BALANCE SHEET
June 30, 1981

ASSETS

Cash in Treasury	-0-
Due from State	<u>2,732.00</u>
Total Assets	<u>2,732.00</u>

LIABILITIES & FUND BALANCE

Due to DFAFS	2,445.00
Payable to Students	287.00
Fund Balance	-0-
Total Liabilities & Fund Balance	<u>2,732.00</u>

HAAS & HINTZ, PSC
RAE M. WAYNE E.

CERTIFIED PUBLIC ACCOUNTANTS
HELENA, MONTANA

- 40 -

The accompanying notes are an integral part of this financial statement.

GREAT FALLS VOCATIONAL-TECHNICAL CENTER
COLLEGE WORK-STUDY PROGRAM
STATEMENT OF CHANGES IN FUND BALANCE
Year Ended June 30, 1981

ADDITIONS

Original Authorization	6,866.00
Less Amounts Not Requested from DFAFS	<u>825.00</u>
Balance of Funds Provided by Federal Government	6,041.00
Add: Funds Provided by Center Funds Provided by Off- Campus Agency	<u>2,166.20</u>
	<u>175.77</u>
Total Funds Available	8,382.97

DEDUCTIONS

Wages - On Campus	
Federal Share	4,995.32
Nonfederal Share	<u>2,166.20</u>
	7,161.52
Wages - Off Campus	
Federal Share	279.47
Nonfederal Share	<u>175.77</u>
	455.24
Administrative Expense	
Federal Share	218.00
Center Share	<u>1,348.29</u>
	1,566.29
Net Increase/Decrease for Year	(800.08)
Fund Balance at Beginning of Year	
Federal Share	183.00
Center Share (overmatch)	5,346.33
Adjustment for Accrued Wages	<u>64.00</u>
	5,593.33
Fund Balance at End of Year	
Center Share	4,062.04
Federal Share	<u>731.21</u>
	<u>4,793.25</u>

HAAS & HINTZ, PSC
RAE M. WAYNE E.

CERTIFIED PUBLIC ACCOUNTANTS
HELENA, MONTANA

The accompanying notes are an integral part of this financial statement.

GREAT FALLS VOCATIONAL-TECHNICAL CENTER
BASIC EDUCATIONAL OPPORTUNITY GRANTS PROGRAM
STATEMENT OF CHANGES IN FUND BALANCE
Year Ended June 30, 1981

ADDITIONS

Original Authorization	42,550
Plus/Minus Supplementals or Decreases ¹	<u>38,005</u>
Adjusted Authorization	80,555
Add: Additional Funds Requested from DFAFS	<u>2,445</u>
Total Funds Available	83,000

DEDUCTIONS

Awards to Students	<u>80,555</u>
Total Deductions	<u>80,555</u>
Increase/Decrease During Year	2,445
Fund Balance Beginning of Year	-0-
Fund Balance End of Year	-0-
Due to DFAFS	<u>2,445</u>

¹Maximum approved authorization was Amendment #1 on 1/7/81 for \$83,403.

HAAS & HINTZ, PSC
RAE M. & WAYNE E.

CERTIFIED PUBLIC ACCOUNTANTS
HELENA, MONTANA

The accompanying notes are an integral part of this financial statement.

GREAT FALLS VOCATIONAL-TECHNICAL CENTER
STUDENT AID PROGRAMS

NOTES TO THE FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Great Falls Vocational-Technical Center maintains their accounting records on the Statewide Budgeting and Accounting System of the State of Montana. This System is a modified accrual system which generally recognizes income as cash is received and expenditures when paid with accruals for valid expenditures at the end of the period. The accounts were established to recognize grant income upon receipt of the grant document; however, as noted in the management comments, this account was not correctly used during the period of the audit.

RECEIVABLES FROM STATE

As noted in the management comments, cash balances in Treasury for the Student Aid programs were incorrectly transferred to the Superintendent of Public Instruction account at year end. A receivable has been established in each of the programs to recognize the liability of the state in this matter. The College Work-Study Fund balance, as further discussed in the Findings and Recommendations section of this report, was \$5,593.33 and was deposited in the State Treasury for the College Work-Study program in August 1980. These funds were unexpended balances held by Cascade County School District 1 from overmatch of federal work-study grants in prior periods. It appears a portion of these funds were expended for administrative purposes during this period.

RECONCILIATION WITH FEDERAL REPORT ED646

A variance is noted in reporting of federal share of earned compensation on ED Form 646 submitted for the period ending June 30, 1981. According to the accounting records, a total of \$5,450.56 was expended from the College Work-Study Entity in payment of wages to students in the program. The Center's share of student wages had been recorded in another entity; however, \$175.77 had been deposited to this entity as the off-campus share of required match during the year. Therefore, total expenditures in the accounting records include the \$175.77 paid by the off-campus agency. The attached copy of ED Form 646 appears to be overstated.

HAAS & HINTZ, PSC
RAE M. WAYNE E.
CERTIFIED PUBLIC ACCOUNTANTS

HELENA, MONTANA

Department of Education
Office of Student Financial Assistance
Washington, D.C. 20202

SERIAL NO (CSGB)

2418

OMB NO 1840-0073

OF INSTITUTION

ADDRESS (street, city, state and ZIP code)

ENTITY NO (EIN)

REAT FALLS VO-TECH CENTER 2100 16th Ave. So. Great Falls, MT

1816000120A-3

59405

Part A—Expenditures For The 1979-80 Award Year

All Institutions: Report expenditure figures for the Award Year July 1, 1979 through June 30, 1980. See Instructions

1 NDSL
EXPENDITURES

2 SEOG-IY

3 SEOG-CY

4 CWS FEDERAL
FUNDS

\$ NA

\$ NA

\$ NA

\$ 12553

Part B—Application to participate in the National Direct Student Loan (NDSL), Supplemental Educational Opportunity Grants (SEOG), and College Work-Study (CWS) Programs for the Award Year July 1, 1982 through June 30, 1983.

IMPORTANT: Enter in the boxes provided below the total amount of funds you wish to request to operate these programs at your institution during the 1982-83 Award Year. Enter NA for any program in which you are not requesting participation. But before attempting to complete the following information, please refer to the instructions and definitions for this part.

1. NDSL LEVEL OF
EXPENDITURES

2. FEDERAL CAPITAL
CONTRIBUTION

3. SEOG INITIAL
YEAR

4. SEOG CONTINU-
ING YEAR

5. CWS FEDERAL
FUNDS

\$ NA

\$ NA

\$ 18000

\$ 6000

\$ 15000

		UNDERGRADUATE	GRADUATE/ PROFESSIONAL
6	ACTUAL NUMBER OF FULL-TIME AND PART TIME STUDENTS ATTENDING YOUR INSTITUTION DURING THE FALL TERM, 1980	473	0
7.	TOTAL REVENUE RECEIVED FOR TUITION AND FEES FOR THE AWARD YEAR JULY 1, 1980 TO JUNE 30, 1981	102,475	0
8.	TOTAL AWARDS MADE TO STUDENTS UNDER THE PELL PROGRAM DURING THE AWARD YEAR JULY 1, 1980 TO JUNE 30, 1981	80555	
9.	TOTAL OF STATE GRANT AND SCHOLARSHIP AWARDS MADE TO UNDERGRADUATE STUDENTS DURING THE AWARD YEAR JULY 1, 1980 TO JUNE 30, 1981	3610	
10.	TOTAL OF INSTITUTIONALLY ADMINISTERED GRANTS AND SCHOLARSHIP AWARDS MADE TO UNDERGRADUATE STUDENTS DURING THE AWARD YEAR JULY 1, 1980 TO JUNE 30, 1981	1965	

NUMBER OF ELIGIBLE AID APPLICANTS ENROLLED AT LEAST HALF-TIME DURING THE AWARD YEAR JULY 1, 1980 TO JUNE 30, 1981
BY TYPE OF STUDENT AND INCOME CATEGORY

	TOTAL INCOME INCLUDING TAX- ABLE AND NON-TAXABLE	UNDERGRADUATE DEPENDENT a	GRADUATE/ PROFESSIONAL DEPENDENT b	TOTAL INCOME INCLUDING TAX- ABLE AND NON-TAXABLE	UNDERGRADUATE INDEPENDENT c	GRADUATE/ PROFESSIONAL INDEPENDENT d
11.	\$ 0 - \$ 2,999	69	0	\$ 0 - \$ 999	80	0
12.	\$ 3,000 - \$ 5,999	2	0	\$ 1,000 - \$ 1,999	14	0
13.	\$ 6,000 - \$ 8,999	2	0	\$ 2,000 - \$ 2,999	0	0
14.	\$ 9,000 - \$ 11,999	0	0	\$ 3,000 - \$ 3,999	0	0
15.	\$ 12,000 - \$ 14,999	2	0	\$ 4,000 - \$ 4,999	0	0
16.	\$ 15,000 - \$ 17,999	0	0	\$ 5,000 - \$ 5,999	0	0
17.	\$ 18,000 - \$ 20,999	1	0	\$ 6,000 - \$ 6,999	0	0
18.	\$ 21,000 - \$ 23,999	0	0	\$ 7,000 - \$ 7,999	0	0
19.	\$ 24,000 - \$ 26,999	0	0	\$ 8,000 - \$ 8,999	1	0
20.	\$ 27,000 - \$ 29,999	0	0	\$ 9,000 - \$ 9,999	0	0
21.	\$ 30,000 - \$ 32,999	0	0	\$ 10,000 - \$ 10,999	0	0
22.	\$ 33,000 - \$ 35,999	0	0	\$ 11,000 - \$ 11,999	0	0
23.	\$ 36,000 - \$ 38,999	0	0	\$ 12,000 - \$ 12,999	0	0
24.	\$ 39,000 - \$ 41,999	0	0	\$ 13,000 - \$ 13,999	0	0
25.	\$ 42,000 - \$ 44,999	0	0	\$ 14,000 - \$ 14,999	0	0
26.	\$ 45,000 - Over	0	0	\$ 15,000 - Over	0	0
27.	TOTAL	76	0	TOTAL	95	0

18. What is the normal length of time in months for which you budgeted your independent students during Award Year 1980-81? 24

D Form 646, Approval date 8-19-81

**PART IV—COLLEGE WORK-STUDY
PROGRAM**

SERIAL NO

OMB NO 1840-0073

2418

NAME OF INSTITUTION

Great Falls Vo-Tech Center

ENTITY NO (EIN)

1816000120A-3

SECTION A—AMOUNT SPENT DURING THE 1980-81 AWARD YEAR

AMOUNT

1 ORIGINAL CWS AUTHORIZATION	\$ 6866
2. ADJUSTMENT TO ORIGINAL AUTHORIZATION	2 1 SUPPLEMENTAL AWARD \$ 0
	2 2 RELEASE OF FUNDS \$ 0
3 FINAL ADJUSTED CWS AUTHORIZATION	\$ 6866
4 CWS AMOUNT TRANSFERRED TO AND SPENT IN SEOG	\$ 0
5 AMOUNT TRANSFERRED FROM SEOG AND SPENT IN CWS	\$ 0
6 CWS FUNDS CARRIED BACK FROM THE 1981-82 AWARD YEAR AND SPENT IN 1980-81	\$ 0
7 CWS 1980-81 FUNDS CARRIED FORWARD TO SPEND IN THE 1981-82 AWARD YEAR	\$ 0
8 CWS FUNDS USED FOR JOB LOCATION AND DEVELOPMENT (<i>Not to exceed 10 percent of the sum of lines 1, 21 and 6 or \$25,000, whichever is less</i>)	\$ 0
9 TOTAL EARNED COMPENSATION FOR THE COMMUNITY SERVICE LEARNING PROGRAM	\$ NA
10 TOTAL EARNED COMPENSATION (<i>Include wages for the Cnty Service Learning Program</i>)	\$ 7792.53
11 INSTITUTION SHARE OF EARNED COMPENSATION	\$ 2341.97
12 FEDERAL SHARE OF EARNED COMPENSATION (<i>See instructions</i>)	\$ 5450.56
13 ADMINISTRATIVE COST ALLOWANCE	13 1 COLLEGE WORK-STUDY PROGRAM \$ 0
	13 2 CMTY SERVICE LEARNING PROGRAM \$ NA
14 TOTAL FEDERAL EXPENDITURES FROM THE 1980-81 CWS AUTHORIZATION <i>(Sum of lines 4, 7, 8, 12, 13 1 and 13 2 minus lines 5 and 6)</i>	\$ 5450.56
15 UNEXPENDED CWS AUTHORIZATION (<i>Line 3 minus line 14</i>)	\$ 1415.44
16 PRIOR YEAR(S) CWS RECOVERIES	\$ 0

SECTION B—STUDENT EMPLOYMENT

NUMBER OF STUDENTS

TOTAL EARNED COMPENSATION

1 ON-CAMPUS EMPLOYMENT (<i>Students enrolled at least half time</i>)	19	\$ 7337.29
2 OFF-CAMPUS EMPLOYMENT (<i>Students enrolled at least half time</i>)	2	\$ 455.24
3 ON-CAMPUS EMPLOYMENT (<i>Students enrolled less than half time</i>)	0	\$ 0
4 OFF-CAMPUS EMPLOYMENT (<i>Students enrolled less than half time</i>)	0	\$ 0



(1-6) 1 BEOG ID NO **009314**
(17-8) 2 EIN NO **1816000120A3**
(9-20)

1. Report for Other (Check One Box Only)

- Oct. 1 Feb. 1 June 30
 APRIL 1 (Report for Change in Current DE Approval - 1A Authorization
 (for the two month reporting period 7/1/80 thru 6/30/80)
 June Revised (Use only if June 30 report previously filed)

SECTION I: GENERAL INFORMATION (Complete only if information below is incomplete or incorrect)

4 Institution NAME and ADDRESS

GREAT FALLS VOC TECH CENTER
2300 16TH AVE SOUTH
GREAT FALLS, MT 59405

(28) Check here when NAME and/or ADDRESS has been changed after date changes below

Official responsible for this PROGRESS REPORT (Sign item 10)

5 Name _____
6 Title _____
7 Phone _____

(29-34) 8 Date of Submission **8/18/81**

(30-42) 9A Amount for 1980-81 Full-time BEOG Recipients **\$ 3973**

(43-48) 9B Full-time BEOG Recipients **23**

10 SIGNATURE

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form may be subject to a fine of up to \$10,000 or to imprisonment of up to 5 years or to both under provisions of the United States Criminal Code. Such provisions may include among others 18 U.S.C. 1001.

SECTION II: (Complete only if information below is incomplete or incorrect)

501 11 Type of Institution **1-YEAR**

- Less than one year
- One year but less than two years
- Two years but less than three years
- Three years but less than four years
- Four years (baccalaureate degree granting only)
- Five years or more

511 12 Control **PUBLIC**

- Public
- Private, nonprofit
- Proprietary

13 U.S. Congressional District

(52-54) **002**

1980-81 Undergraduate Enrollment

14 Full-time (55-60)	15 Part-time (64-69)
364	110

1731 16 Term Type

QUARTER

- Credit Hour
- Quarter
- Semester
- Trimester
- Clock Hour

174-75 7 Length of Academic Year (from 7/1/80 to 6/30 or equivalent on which charges below are based)

09 months

18 Average Institutional Charges per Full-time Undergraduate Student For 1980-81:

(19-21) Tuition and Fees (In-State)	A	\$ 320
(17-24) Room (On-Campus)	B	\$ N/A
(18-21) Board (On-Campus)	C	\$ N/A
For 1981-82 (Estimated)		
(13-40) Tuition and Fees (In-State)	D	\$ 400
(14-48) Room (On-Campus)	E	\$ N/A
(14-56) Board (On-Campus)	F	\$ N/A

SECTION III: STATUS OF AUTHORIZATION (See instructions: Show dollars only. Do NOT show cents.)

Amount (A) No. of BEOG Recipients (B)

19 Gross Expenditures (actual payments to students to date for current award period)	(37)(9-16) 19	\$ 80555	(17-24) 164
20 Less Recoveries (to date for current award period only)	(25-32) 20	\$ -0-	(33-40) -0-
21 Net Expenditures		80555	
ESTIMATED DEMAND FOR ADDITIONAL FUNDS (for remainder of current award period)			
22 Amount for Present Recipients	(57-64) 22	\$ -0-	(17-24) -0-
23 Amount for Additional Recipients Expected to Qualify	(65-72) 23	\$ -0-	(17-24) -0-
24 Total Estimated Expenditures and Recipients	(47)(9-16) 21 + 22 + 23 = 24A (19B + 23B = 24B) (for ENTIRE award period 7/1/80 - 6/30/81)	80555	(17-24) 164
25 Current DE Approved Authorization per USDE records as of (for award period 7/1/80 - 6/30/81)	(33-40) 24 - 25 = 26	\$ + -	(17-24) 163
26 Institution's Estimated Authorization Adjustment	(41-48) 27		
27 Number of Student Eligibility Reports Previously Submitted			
28 Number of Student Eligibility Reports Submitted with this Report			
29 Total Number of Student Eligibility Reports Submitted	(57-64) 27 + 28 - 29		164
30 Enter Number of SER's On-Hand But Not Yet Paid (also Amount and SER Count should be included in Item 23A and B)	(73-80) 30		0

TAPS 27

DEPARTMENT OF HEALTH AND HUMAN SERVICES
DEPARTMENTAL FEDERAL ASSISTANCE FINANCING SYSTEM AS OF DATE 06/30/87
RECIPIENT REPORT OF EXPENDITURES

PAGE

SCST: DOC NO

FINANCIAL OFFICER
GREAT FALLS VOC-TECH CENTER
2100 - 16TH AVENUE SOUTH
GREAT FALLS MT 59405

FIN PAYEE CRS NO. REF
6669 1-816000120-A3
CSH

PART I - OPEN AWARDS

INSTITUTION CONTROL NO.	CPS NUMBER	DEAES DOCUMENT NUMBER	AUTHORIZED AMOUNT	EXPENDED AMOUNT
093002-32013	1-816000120-A3	0E-G008051701	1,900.00	1529.00
		0E-F008012418	12,557.00	12,553.00
090001-80013	1-816000120-A3	0E-F008106762	60,611.00	89,268.22
090003-32033	1-816000120-A3	0E-F008112418	6,666.00	5456.56
PART I TOTALS		(4 DOCUMENTS)	101,930.00	99800.84

PART II - AWARDS WITH FINAL EXPENDITURES

INSTITUTION CONTROL NO.	CPS NUMBER	DEAES DOCUMENT NUMBER	AUTHORIZED AMOUNT	EXPENDED AMOUNT
	1-816000120-A3	0E-G007851912	3,906.00	1,906.00
	1-816000120-A3	0E-P007712618	10,025.00	7,629.00
	1-816000120-A3	0E-P008022418	3,693.00	0.00
	1-816000120-A3	0E-0076088793	6,977.00	0.00
PART II TOTALS			24,504.00	11,535.00
TOTALS, PART I AND PART II			125,931.00	111,335.84

THE FIGURE SHOWN IN THE "EXPENDED AMOUNT" COLUMN FOR THE AWARDS LISTED IN PART II OF THIS REPORT, MUST AGREE WITH THE AMOUNT REPORTED ON THE "FINAL REPORT OF EXPENDITURES" YOU SENT TO THE GRANT AWARDED AGENCY.

IF THE "EXPENDED AMOUNT" SHOWN IS INCORRECT, IT SHOULD BE LINED OUT ON THIS REPORT AND THE CORRECT AMOUNT INSERTED.

IF THE "EXPENDED AMOUNT" IS CORRECT BUT DIFFERS FROM THE "AUTHORIZED AMOUNT" AND AN ASTERISK (*) APPEARS IN THE COLUMN ENTITLED "FROM-A" IN PART II, IT IS IMPORTANT THAT YOU CONTACT THE GRANT AWARDED AGENCY AT ONCE TO RESOLVE THIS DIFFERENCE.



GREAT FALLS VOCATIONAL-TECHNICAL CENTER

November 18, 1981

G. LORAN FRAZIER, DIRECTOR
CARL I. SPINTI, ASST. DIRECTOR

TO: Haas and Hintz, P.S.C.
FROM: Loran Frazier, Director *LF*
RE: Response to Audit Conducted by Above Firm

The Administration of the Great Falls Vo-Tech Center would like to thank the firm of Haas and Hintz for conducting an audit of the Center.

The following comments are in response to the audit report.

Contact Hours

Recommendation 1. Work to determine a uniform method of determining contact hours. CONCUR

Recommendation 2. Determine a uniform procedure for counting the number of students enrolled in courses and assure that this procedure is followed.

CONCUR with recommendation; however, I do feel that the present procedure for counting students is a good one. We just have to assure that the procedure is followed.

Student Transcripts

Recommendation 1. Enforce the existing guidelines for turning in all grades on the last day of the quarter.

We do not think that the problem with grades is one of enforcement as much as it is one of changing the grading policy. Presently the classes that are violating the policy by not turning in the grades on time are classes that have open entry-open exit curricula. Present grading policy states that after the fourth week, an incomplete grade becomes an "F". These classes are few and the Center will work to establish a policy that will show grading in these classes including both the quarter enrolled and the quarter completed.

Great Falls Vo-Tech Center
Response to Audit page two

Recommendation 2. Assure that the usual class schedules be retained as a part of the student file so that they can be referred to if class grades are not turned in. CONCUR

Equipment Inventory

Recommendation: Conduct an accurate physical inventory and bring the equipment inventory list to date; and with appropriate adjustments to the accounting records.

CONCUR

Business Manager

Recommendation: Request an additional position for a business manager.

CONCUR

Duties of State Director

Recommendation 1. We recommend that the State Director update the Policies and Procedures Handbook for Vocational Technical Centers as soon as possible.

CONCUR

Recommendation 2. That the statutory requirement of meeting with the local board of trustees twice a year be carried out or that a legislative change be sought if the requirement is not meaningful.

CONCUR

Board of Trustees Minutes

Recommendation: That the minutes be signed by the chairman immediately following approval at the next meeting.

CONCUR



GREAT FALLS VOCATIONAL-TECHNICAL CENTER

G. LORAN FRAZIER, DIRECTOR
CARL I. SPINTI, ASST. DIRECTOR

November 17, 1981

Haas & Hintz, PSC
P.O. Box 198
Helena, Montana 59624

Dear Rae:

We have looked over the draft copy of the student aid audit. We concur in general with the recommendations, and hope the Department of Administration or Office of Public Instruction will initiate changes to make the procedure simpler.

It was good to see you again.

Sincerely

A handwritten signature consisting of stylized initials and a surname.

Carl I. Spinti
Assistant Director



OFFICE OF PUBLIC INSTRUCTION

STATE CAPITOL
HELENA, MONTANA 59601
(406) 449-3095

Ed Argenbright
Superintendent

November 18, 1981

Haas and Hintz, PSC
P.O. Box 198
Helena, Montana 59624

Dear Ms. Haas:

The following comments emanate from the review of the draft copy of the audit of the Great Falls Vocational-Technical Center--year ending June 30, 1981.

Recommendation

1. We recommend that the Superintendent of Public Instruction and the Great Falls Center:
 - A. Work to determine a uniform method of determining contact hours.

Comment

A uniform determination of contact hours for the state system will be addressed in 1981-82 for Fall implementation in 1982.

- B. Determine a uniform procedure for counting the number of students enrolled in courses, and assure that this procedure is followed.

Comment

Student count of a statewide procedure will be implemented for the 1982 school year.

2. We recommend that the Center . . . conduct an accurate physical inventory and bring the equipment inventory list to date, with appropriate adjustments to accounting records.

Comment

We concur with the recommendation.

Haas and Hintz, PSC
November 18, 1981
Page Two

3. We recommend that the Center . . . request an additional position for a business manager.

Comment

The Assistant Superintendent for Vocational Education Services is charged in Montana law with the responsibility to develop staffing for the Centers--20-7-302.1(10). This recommendation will be incorporated in the new edition of the Policies and Procedures Handbook which will be written in the 1981-82 school year. We fully concur with this recommendation as it relates to each Center.

Recommendation (4)

- A. We recommend that the State Director update the Policies and Procedures Handbook for Vocational-Technical Centers as soon as possible.

Comment

A review and update of the Handbook is currently under way.

- B. That the statutory requirement of meeting with the local board of trustees twice a year be carried out or that a legislative change be sought if the requirement is not meaningful.

Comment

The statutory requirement is judged to be meaningful and steps will be taken to insure compliance in 1981-82 and henceforth.

Recommendation (5)

. . . That the minutes be signed by the chairman immediately following approval at the next meeting.

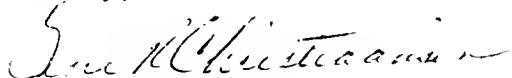
Comment

We concur with the recommendation.

Haas and Hintz, PSC
November 18, 1981
Page Three

The Department of Vocational Education is appreciative of the opportunity to comment on the recommendations of the audit. We trust our reply will be of assistance to you.

Sincerely,



GENE R. CHRISTIAANSEN
Assistant Superintendent
Department of Vocational Education

hd

cc: Loran Frazier
Harold Wenaas
E. Argenbright
R. Shackleford

